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SENSITIVE
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TAGS: [EINV](#) [CASC](#) [KIDE](#) [OPIC](#) [PGOV](#) [GY](#)
SUBJECT: 2006 REPORT ON INVESTMENT DISPUTES AND
EXPROPRIATION CLAIMS (GUYANA)

REF: STATE 60294

1. In response to reftel, the following is Post's submission for the 2006 Report on Investment Disputes and Expropriation Claims. Post is aware of five (5) claims of United States persons that may be outstanding against the Government of Guyana (GOG), all of which were detailed in the 2005 report. Claimants from the 2005 report retain their identifying letter below.

2. (SBU) (a) Claimant A
(b) 2002

(c) CASE UPDATE: Claimant A is a U.S. company that owns 80 percent of Guyana's telephone monopoly, Guyana Telecom and Telegraph (GT&T), and obtained an agreement with the GOG in 1990 to be the exclusive provider of land telephony and national and international voice and data transmission. In February 2006 President Bharrat Jagdeo stated that he intends to break Claimant A's telecommunications monopoly "in one way or another." The CEO of Claimant A responded by reiterating the firm's willingness to negotiate the exclusivity terms of its license and called on the GOG to produce a Memorandum of Understanding as a catalyst for discussions that have been stalled since 2002. Claimant A also criticized the GOG for failing to take action against unlicensed operators, some of whom service government agencies in spite of the agreement giving Claimant A exclusive rights to provide telephone service in Guyana. In a related matter, the Public Utilities Commission ordered Claimant A to cease sales of cellular service on February 24, 2006, citing network congestion and complaints of unreliable service. Claimant A countered that it cannot comply with the request until service quality standards are established. The CEO of Claimant A has also said that obstacles to orderly telecommunications development have continued to be displayed by the GOG by asking Claimant A to accept uneconomic rates, permitting a breach of those sections of the license which protect Claimant A and dividing the spectrum in a way that reduces the rate of Claimant A's cellular network development.

3. (SBU) a) Claimant B
b) 1998

c) CASE UPDATE: Claimant B was the U.S. parent company for the Linden Power Company, with a contract to supply electricity to the Linden area and to the Linmine bauxite mine operations. The failure of Linmine and the GOG to pay power bills led to Claimant B defaulting on a loan, resulting in LPC going into receivership with Royal Bank of Trinidad and Tobago. Multiple cross-cutting lawsuits

stemming from the case have been consolidated into a binding arbitration that was heard in New York. Arbitration hearings were scheduled for July 2004. Claimant B claimed \$27 million in the arbitration. Linmine ceased operations in Guyana in May 2005. Post has been unable to contact Claimant B to verify that the issue has been settled. END UPDATE.

14. (SBU) a) Claimant C

b) 1998

c) CASE UPDATE: Claimant C is a U.S. registered company licensed to provide cellular service in Guyana. Claimant C alleges that the PUC frustrated its efforts to achieve interconnection with the dominant telephone service provider, which is 80 percent owned by an American company. Claimant C took legal action to force an interconnection agreement. Although victorious, the telephone service provider has appealed that decision. Claimant C intended to expand its service, including introducing call centers, but has been frustrated by the GOG's reluctance to finalize a memorandum of understanding with them. According to news reports, the dispute is ongoing. Post has been unable to contact anyone from Claimant C to update the status of the claim since it was initially reported in the 2004 report.

15. (SBU) a) Claimant D

b) 1998

c) CASE UPDATE: Claimant D, owned by a U.S. citizen, is also licensed to provide cellular service in Guyana. Claimant D also alleges that the PUC frustrated their efforts to achieve full interconnection with the monopoly provider for landline telephone service. Claimant was also victorious in legal action to enforce interconnection, but has not yet been able to enforce the judgment. Claimant D has petitioned for an extension of its 10 year license to match 15 year licenses granted to other providers. They are also seeking licenses granted to other providers. They are

also seeking tax concessions to match those granted other providers. Post has had no contact with the claimant in the last year. END UPDATE.

16. (SBU) a) Claimant E

b) 1995

c) CASE UPDATE: The 2002 report stated that Claimant E intended to pursue a lawsuit against the GOG related to a land dispute. Claimant E contacted post in early 2006 saying the suit is ongoing and listing various conditions by which the claimant will accept a settlement with the GOG. END UPDATE.

17. (SBU) The list of claimant names follows, all of who are believed to be U.S. citizens or companies controlled by U.S. citizens. None of the claimants has signed a privacy act waiver at Post.

Claimant A: Atlantic Tele-Network (ATN). U.S. registered company.

Claimant B: Texas Ohio Energy (TOE). U.S. registered company.

Claimant C: Caribbean Wireless Ltd. U.S. registered company.

Claimant D: Caribbean Telecommunications Ltd. Guyanese registered company with U.S. citizen owner.

Claimant E: Mr. Keshwar Ramlal, United States Citizen.

BULLEN